



February 19, 2018

***Via Electronic Filing***

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: Hancock Rural Telephone Corp.  
SPIN 143001738  
Health Care Provider (HCP) Number 17224  
HCP Name: Indiana Telehealth Network  
Rural Health Care Program Invoice 1000043379  
FRN: 14642481

Please allow this letter to serve as an appeal request of the USAC ruling on the above-referenced matter and a request for a waiver of the FCC rules to allow the service provider Hancock Rural Telephone Corporation d/b/a NineStar Connect to certify the submitted Rural Health Care Program Invoice 1000043379. An electronic error occurred, and the invoice was not fully certified by the due date by the service provider.

Attached please find the email from USAC stating that the deadline was missed along with the Funding Commitment Letter from USAC.

Thank you for your consideration. I can be reached at 317.323.2105 or via email at [kgerard@ninestarconnect.com](mailto:kgerard@ninestarconnect.com).

Sincerely,

A handwritten signature in blue ink that reads "Kim Gerard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Kim Gerard  
Compliance Manager

North Campus  
2331 E. 600 N.  
Greenfield, IN 46140  
(317)326-3131

South Campus  
2243 E. Main Street  
Greenfield, IN 46140  
(317)326-3131

## Kim Gerard

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**From:** Allison Orwig <aorwig@indianarha.org>  
**Sent:** Saturday, February 17, 2018 1:01 PM  
**To:** Kim Gerard  
**Subject:** Fwd: 463 Deadline

Kim,

Please see USAC's response below.

Thank you,  
Ally Orwig

Begin forwarded message:

**From:** RHC-Invoicing <[RHC-Invoicing@usac.org](mailto:RHC-Invoicing@usac.org)>  
**Date:** February 16, 2018 at 4:05:15 PM EST  
**To:** "[aorwig@indianarha.org](mailto:aorwig@indianarha.org)" <[aorwig@indianarha.org](mailto:aorwig@indianarha.org)>  
**Cc:** RHC-Assist <[rhc-assist@usac.org](mailto:rhc-assist@usac.org)>, RHC-Invoicing <[RHC-Invoicing@usac.org](mailto:RHC-Invoicing@usac.org)>  
**Subject:** RE: 463 Deadline

Good Afternoon,

Unfortunately USAC has to receive the invoice by the invoicing deadline, meaning that it must be approved by both the HCP and service provider. While we are not able to issue an extension, they can file for a waiver of the invoicing deadline with the FCC.

Please refer to the USAC website for instructions on filing a waiver with the FCC for the invoicing deadline: <http://www.usac.org/about/about/program-integrity/appeals.aspx>.

- Any party (including, but not limited to entities filing an FCC Form 499, federal universal service program applicants, and service providers) that wishes to appeal a USAC decision must first file an appeal with USAC to seek review of the USAC decision before filing an appeal with the FCC. Once USAC has made a decision on an appeal, the party may appeal USAC's decision to the FCC.
- Parties seeking a waiver of FCC rules (i.e. late payment fees, waiver of form deadlines, etc.) should file an appeal directly with the FCC because USAC cannot waive FCC rules.

Feel free to let me know if you have any additional questions.

Best Regards,

**Khala Smith**  
Rural Health Care Program  
1(800) 453-1546  
[rhc-invoicing@usac.org](mailto:rhc-invoicing@usac.org)

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**Rural Health Care Division**  
**Healthcare Connect Fund Program**  
<http://www.usac.org/rhc/default.aspx>  
Phone: 202-776-0200

2000 L Street NW, Suite 200  
Washington, DC 20036

Date: 08/25/2015

Indiana Telehealth Network  
Don Kelso  
2901 Ohio Blvd  
Terre Haute, IN, 47803

Re: Healthcare Connect Fund Funding Commitment for Funding Year 2014  
Consortium HCP #17224

Dear Don Kelso,

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) has completed a review of your Consortium's FCC Form 462 and associated supporting information with respect to the Consortium's request for support of services, equipment or infrastructure. This Funding Commitment Letter (FCL) is to advise you of USAC's decision regarding the Consortium's funding request.

<b>Funding Request Number (FRN):</b>	14642481
<b>Consortium HCP Number:</b>	17224
<b>Funding Start Date</b>	8/25/2015
<b>Funding End Date</b>	6/30/2017
<b>Invoicing Deadline</b>	12/30/2017

Based on the information provided on your application, the estimated total support amount listed below is what the RHCD has approved for your request.

<b>Contract Number:</b>	854250
<b>Contract Friendly Name:</b>	Hancock DY updated
<b>RFP #:</b>	1
<b>Evergreen Contract Status</b>	Y
<b>Initial Contract Term Start Date</b>	08/25/2015
<b>Initial Contract Term End Date</b>	08/25/2018
<b>Number of Voluntary Extensions</b>	5
<b>Total Combined Length of Voluntary Extensions</b>	5 years

<b>Contract Number:</b>	854251
<b>Contract Friendly Name:</b>	Henry DY Updated
<b>RFP #:</b>	1
<b>Evergreen Contract Status</b>	Y
<b>Initial Contract Term Start Date</b>	08/25/2015

<b>Initial Contract Term End Date</b>	08/25/2018
<b>Number of Voluntary Extensions</b>	5
<b>Total Combined Length of Voluntary Extensions</b>	5 years

<b>Contract Number:</b>	854252
<b>Contract Friendly Name:</b>	Henry DY Updated
<b>RFP #:</b>	1
<b>Evergreen Contract Status</b>	Y
<b>Initial Contract Term Start Date</b>	08/25/2015
<b>Initial Contract Term End Date</b>	08/25/2018
<b>Number of Voluntary Extensions</b>	5
<b>Total Combined Length of Voluntary Extensions</b>	5 years

<b>Funding Request Number (FRN)</b>	<b><u>Recurring</u> Support</b>	<b><u>Non-Recurring</u> Support</b>	<b>Upfront Expense Support</b>	<b>Total Support Amount</b>
14642481	\$129569.76	\$500.00	\$0.00	\$130069.76

<b>Funding Year One</b>	<b><u>Recurring</u> Support</b>	<b><u>Non-Recurring</u> Support</b>	<b>Upfront Expense Support</b>	<b>Total Year One Support Amount</b>
2014	\$161.76	\$500.00	\$0.00	\$661.76

<b>Funding Year Two</b>	<b><u>Recurring</u> Support</b>	<b><u>Non-Recurring</u> Support</b>	<b>Upfront Expense Support</b>	<b>Total Year Two Support Amount</b>
2015	\$64,704.00	\$0.00	\$0.00	\$64,704.00

<b>Funding Year Three</b>	<b>Recurring Support</b>	<b>Non-Recurring Support</b>	<b>Upfront Expense Support</b>	<b>Total Year Three Support Amount</b>
2016	\$64,704.00	\$0.00	\$0.00	\$64,704.00

In addition, a copy of this letter, including the location(s) and service information in the appendix, has been sent to your service provider or vendor listed below.

<b>Service Provider/Vendor Name:</b>	Hancock Rural Telephone Corporation
<b>Service Provider Identification Number (SPIN):</b>	143001738
<b>Service Provider Contact Name:</b>	Scott Hiatt
<b>Billing Account Number (BAN):</b>	N/A

The following definitions are provided to help you better understand the information provided in this letter:

- **Billing Account Number (BAN):** The number assigned by the vendor or service provider to be used ONLY for billing for the Consortium for HCF supported services.
- **Funding Request Number (FRN):** The number assigned to this service request by the RHCD.

- **Recurring Support:** The amount of support for all services provided by this vendor or service provider, and requested on the FCC Form 462 that were identified as “recurring.”
- **Non-Recurring Support:** The amount of support for all services, equipment or infrastructure provided by this vendor or service provider, and requested on the FCC Form 462 that were identified as “non-recurring.” See *Healthcare Connect Fund Order*, at ¶¶ 149-150.
- **Upfront Expense Support:** The amount of support for all services, equipment or infrastructure provided by this vendor or service provider, and requested on the FCC Form 462 that are “upfront expenses”. See 47 C.F.R. § 54.638 and the *Healthcare Connect Fund Order*, at ¶¶ 151-155.
- **Total Support Amount:** The total amount of support for all services, equipment or infrastructure provided by this vendor or service provider. Sum of the recurring and non-recurring support.
- **Evergreen Contract Status:** USAC has confirmed that this contract meets the Evergreen contract requirements (see 47 C.F.R. § 54.642(h)(4)(ii)) and has found that the initial contract term begins and ends as indicated above (see Evergreen Start Date and Evergreen End Date). (**Note:** You may exercise a voluntary option(s) to extend your Evergreen contract without changing the contract’s Evergreen status or undergoing an additional competitive bidding process, if the following conditions are satisfied: (1) the voluntary extension(s) is are memorialized in the Evergreen contract; (2) the decision to extend the contract is made before you file FCC Form 462 for the Funding Year in which the contract would otherwise expire; and (3) the voluntary extension(s) does not exceed five years in the aggregate. Service upgrades are also permitted as part of an Evergreen contract without undergoing an additional competitive bidding process if the upgrade was contemplated in the competitive bidding process and the contract explicitly provides for potential service upgrade(s).)

#### **Notice on Rules and Fund Availability:**

Receipt of funding commitments is contingent on compliance with all statutory, regulatory, and procedural requirements of the Rural Health Care Program. Applicants who have received funding commitments may be subject to random audits, site visits, and other reviews that USAC may undertake to assure that funds have been committed and are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action, inaction, including but not limited to that by USAC, the Consortium or the service provider or vendor. USAC, and other appropriate authorities (including but not limited to the Federal Communications Commission), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds.

#### **I. Starting Services and Invoicing USAC**

It is important to save this letter. Your next step in this process is the completion and submission of FCC Form 463 through RHCD’s “My Portal” website at <https://forms.universalservice.org/usaclogin/login.asp>. Instructions on how to electronically file the FCC Form 463 are available on USAC’s website at <http://www.usac.org/rhc/healthcare-connect/tools/forms/default.aspx>. If you lack adequate Internet access to submit the FCC Form 463 online, contact the RHCD (1-800-453-1546 or [rhc-assist@usac.org](mailto:rhc-assist@usac.org)) to make alternative arrangements.

FCC Form 463 will confirm receipt of the services, equipment or infrastructure for which support has been approved and the date on which the service provider or vendor began providing those services. (**Note:** If this Funding Commitment Letter is for zero support, you **need not** complete an FCC Form 463). You will need the Funding Request Number provided above to complete FCC Form 463. Your completed FCC Form 463 allows USAC to begin processing invoices for the service, equipment or infrastructure for which you received a positive funding commitment. You should contact each vendor or service provider to make any necessary arrangements regarding billing of supported services, equipment or infrastructure and any other administrative details relevant to your participation in the HCF. Remember the Consortium Leader is responsible for submitting all invoices to USAC and that each invoice submitted must be signed by an authorized representative of the Consortium Leader and the service provider or vendor.

All FCC Forms 463 for the services, equipment or infrastructure covered under this FRN must be received by USAC within **six months** after the end date of the funding commitment, which is [12/30/2015] for this FRN.

When completing FCC Form 463, please take special care with Block 2, Column B, which requires the BAN for the organization eligible to receive the “universal service support credit.” The BAN is an account code for the Consortium of eligible Health Care Providers (HCPs) (as defined in 47 C.F.R. § 54.600(a)) that is used by service providers and vendors to track charges and credits for customers and is included on the bill for the supported service, equipment or infrastructure. The Healthcare Connect Fund Program recommends that Project Coordinators verify the BAN with their service provider or vendor.

If the supported service, equipment, or infrastructure used by the Consortium is billed to another organization, such as the “parent” entity in a telemedicine consortium or network, please verify the BAN with that organization. FCC rules specifically state that the benefits of this program are only available to eligible participants. (See 47 C.F.R. § 54.601(a).) Therefore, although the supported service, equipment or infrastructure may be billed to another organization, the benefits of the support must be provided to the eligible HCPs.

The authorized representative of the Consortium Leader must sign the FCC Form 463. The submission of FCC Form 463 certifies that the eligible entity(ies) has or will receive the benefit of the Healthcare Connect Fund universal service support. Additional information on invoicing USAC for supported items is available at 47 C.F.R. § 54.645, the *Healthcare Connect Fund Order*,<sup>1</sup> at ¶¶ 303-305, and the FCC Form 463 Instructions.

## **II. Post-Commitment Requirements and Conditions and Limitations of HCF Support**

Below, is a summary of important post-commitment requirements, as well as conditions and limitations for receiving federal universal service HCF support. Failure to comply with these requirements, conditions and limitations may impact your funding commitment. For information on all of the HCF Program rules and requirements you should review the Federal Communications Commission (FCC or Commission) rules (47 C.F.R. §§ 54.601, 54.630 to 54.649, and 54.671-54.680) and the *Healthcare Connect Fund Order*.

### **A. Majority Rural and Non-Discounted Contribution Requirements:**

- **Majority Rural Requirement:** If the Consortium includes non-rural members who receive HCF support, within **three** years of the filing date of the Consortium’s first request for HCF support, a majority (more than **50** percent) of the Consortium sites must be rural HCPs. For purposes of this requirement, non-rural HCP sites that received funding commitments as of December 12, 2012 through the RHC Pilot Program projects with 50 percent or more non-rural HCP sites are grandfathered and do not count towards determining whether the majority rural requirement is satisfied. This “grandfathered status” remains in effect as long as the non-rural HCP site participates in the same Consortium. However, if the non-rural HCP site leaves the Consortium, it will lose its “grandfathered status.” (**Note:** The majority rural requirement does not preclude non-rural HCPs from participating in a healthcare broadband network, provided that the non-rural HCPs pay their undiscounted rate of network costs.) Additional information on the majority rural requirement can be found at 47 C.F.R. § 54.630(b) and the *Healthcare Connect Fund Order*, at ¶¶ 61, 62, 65 and 66.
- **Non-Discounted Contribution:** The Consortium must contribute **35** percent of the total cost of all eligible expenses. Eligible sources for the Consortium’s non-discounted portion include: the Consortium or eligible HCP participants; state grants, funding or appropriations; federal funding, grants, loans or

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<sup>1</sup> *In the Matter of Rural Healthcare Support Mechanism*, WC Docket No. 02-60, Report and Order, FCC 12-150, 22 FCC Rcd 16678 (2012) (“*Healthcare Connect Fund Order*”).

appropriations excluding other universal service funding; Tribal government funding; and other grant funding, including private grants. **(Note:** In limited circumstances, revenue from excess capacity may be used to pay the non-discounted portion. See 47 C.F.R. § 54.633(d)(1)-(7) and *Healthcare Connect Fund Order*, at ¶103). Examples of ineligible funding sources include, but are not limited to: in-kind or implied contributions from health care providers; direct payment(s) from other vendors or service providers (e.g., local exchange carrier or other telecommunications carrier, utility, contractor, vendor, or other service provider) and contractors and consultants to those entities; and for-profit entities. The Consortium Leader must certify that the Consortium has paid the 35 percent non-discounted portion before USAC will disburse any HCF support. Additional information concerning the Consortium contribution requirement and eligible funding sources is available at 47 C.F.R. § 54.633 and the *Healthcare Connect Fund Order*, at ¶¶ 90-104, and 286.

## **B. Limitations on Support for Dark Fiber and Ineligibility of Internal Wiring and Internal Connection Expenses**

- **Limitations on Support for Non-recurring and Recurring Costs for Dark Fiber:** The Consortium may receive HCF support for dark fiber (e.g., unlit fiber) only if the customer, not the vendor or service provider, provides the modulating electronics. HCF support for recurring charges associated with dark fiber is only available for fiber strands that are lit within the Funding Year, and only after the fiber has been 'lit' and is actually being used by the Consortium. Non-recurring charges associated with dark fiber (e.g., build-out-costs such as 'special construction' charges) are eligible only if the fiber is lit within the Funding Year. For non-recurring charges associated with dark fiber, the Consortium may receive up to a one-year extension to light fiber if it provides documentation to USAC demonstrating that construction was unavoidably delayed due to weather or other reasons. **(Note:** Consortia may receive support for maintenance costs associated with leases of dark or lit fiber as well as for modulating electronics and other equipment necessary to light dark fiber, provided that those items were included in the RFP for dark fiber). Additional information on support for recurring and non-recurring costs associated with dark fiber is available at 47 C.F.R. §54.634(b) and the *Healthcare Connect Fund Order*, at ¶¶ 126-131.
- **Ineligibility of Expenses Associated with Internal Wiring and Internal Connections:** Expenses associated with internal wiring and internal connections (e.g., upgrades beyond the customer demarcation point) are not eligible for HCF support. **(Note:** HCF support may be used for the costs associated with service provider build-out to the customer demarcation point and for network equipment necessary to make a broadband connection functional.) Additional information on the ineligibility of expenses associated with inside wiring and internal connections is available at 47 C.F.R. §54.639(b) and the *Healthcare Connect Fund Order*, at ¶¶ 169-170.

## **C. Prohibition of Resale and Duplicate Support**

- **Resale Prohibition:** Supported services, equipment and infrastructure may not be sold, resold, or transferred in consideration of money or any other thing of value. **(Note:** The resale prohibition does not preclude HCPs from charging normal fees for health care services, including instruction related to services purchased with HCF support.) Additional information on the resale prohibition is available at 47 U.S.C. § 254(h)(3), 47 C.F.R. § 54.671 and the *Healthcare Connect Fund Order*, at ¶ 178.
- **Duplicate Support Prohibition:** Consortia are prohibited from submitting a funding request and receiving funds for the *same* services or expenses from the HCF and the Telecommunications Program, Pilot Program or other universal service program(s) (e.g., the Schools and Libraries (or E-rate), High Cost, and Lifeline Programs). This prohibition only applies to the *same* services, and does not preclude the Consortium from receiving complementary universal service support for different services. **(Note:** The duplicate support prohibition does not prohibit the Consortium from using federal funds from non-universal service program sources towards the Consortium's required non-discount contribution, or from purchasing services from entities that have received federal funds to assist in infrastructure construction (e.g., the Broadband Telecommunications Opportunities Program (BTOP) or the Rural



Utilities Service Broadband Infrastructure Program). This prohibition also does not preclude federal entities such as the Indian Health Service, or other Tribal entities from receiving support under the HCF even though their required contribution may come from federal sources.) Additional information on the duplicate support prohibition is available at 47 C.F.R. § 54.672 and the *Healthcare Connect Fund Order*, at ¶¶ 334-338.

#### **D. Site and Service Substitutions, Reporting Material Changes to HCPs, and Changes Requiring Re-Filing of Sustainability Plan**

- **Site and Service Substitutions:** The Consortium Leader may request Site or Service substitutions without modifying the FCL if the requested site or service substitution satisfies the following conditions: (1) the substitution is provided for in the contract, within the change clause, or constitutes a minor modification; (2) the site is an eligible HCP and the service is an eligible service under the HCF; (3) the substitution does not violate any contract provision or state or local procurement laws; and (4) the requested change is within the scope of the controlling FCC Form 461, including any applicable Request for Proposal. Support for approved Site and Service substitutions is only guaranteed up to the total amount of support committed in this FCL. Additional information on site and service substitutions is available at 47 C.F.R. § 54.646 and the *Healthcare Connect Fund Order*, at ¶¶ 313-315.
- **Reporting Material Changes to Eligible HCPs:** The Consortium Leader is required to submit an updated FCC Form 460 within 30 days of a material change to an HCP participating in the Consortium, such as a change in the HCP's name, site location, contact information or eligible entity type or for non-rural hospitals, an increase in the number of licensed patient beds (e.g., increase from fewer than 400 licensed beds to 400 or more licensed beds). Additional information on eligible HCPs and reporting material changes to HCPs is available at 47 C.F.R. § 54.601 and the *Healthcare Connect Fund Order*, at ¶ 214.
- **Material Changes Requiring Re-Filing of Sustainability Plan:** The Consortium Leader is required to re-file the Sustainability Plan only if there is a material change in sources of future support or management. A material change is a change that would impact projected income or expenses by the greater of 20 percent or \$100,000 from the previous submission, or if the applicant submits a funding request based on a new FCC Form 461 (i.e., a new competitively bid contract). When a material change occurs, the revised Sustainability Plan should be provided to USAC no later than the end of the relevant quarter. The revised Sustainability Plan should clearly show (i.e., by redlining, or highlighting) the changes. An established network that does not appear sustainable may be found in violation of HCF Program rules and may be required to repay HCF Program funds. Additional information on the Sustainability Plan requirements for the HCF Program is available at 47 C.F.R. § 54.643(a)(6)(iv) and (v) and the *Healthcare Connect Fund Order*, at ¶¶ 291-293.

#### **E. Annual Reporting, Recordkeeping, and Audit and Site Visit Requirements**

- **Annual Reporting Requirement:** For each Funding Year in which the Consortium receives HCF support, the Consortium Leader must prepare and file an annual report with USAC on or before September 30 for the preceding Funding Year. For Funding Year 2013, the annual report will be due on or before **September 30, 2013**. For consortia receiving large upfront payments, the annual reporting requirement extends for the life of the supported facility. The annual reports filed with USAC must contain the following information: (1) the characteristics of the supported connections, including price and bandwidth; (2) the number and characteristics of the eligible and non-eligible sites connected to the network; (3) whether and to what extent the supported connections are being used for telemedicine, exchange of EHRs, participation in a health information exchange, remote training and other telehealth applications; and (4) the number and nature of all responsive bids received through the competitive bidding process and an explanation of how the winning bid was chosen. The reporting requirements are subject to modification by the Commission. Additional information on the annual reporting requirement is available at 47 C.F.R. § 54.647 and the *Healthcare Connect Fund Order*, at ¶¶ 316-322.

- **Recordkeeping Requirements:** HCF program participants (including Consortium Leaders, HCPs, service providers and vendors), must maintain documentation related to the purchase and delivery of services, network equipment, and infrastructure funded by the program for five years after the last day of service delivered in a particular Funding Year and are required to produce those records on request. Participants who receive support for long-term capital investment facilities with a useful life that extends beyond the period of the funding commitment must maintain records for at least five years after the end of the useful life of the facility. Participants must also maintain asset and inventory records of supported network equipment to verify the actual location of such equipment for a period of five years after purchase. Additional information on the recordkeeping requirements is available at 47 C.F.R. § 54.648(b) and the *Healthcare Connect Fund Order*, at ¶¶ 325-326.
- **Audit and Site Visit Requirements:** Each HCF Program participant (including the Consortium Leader, HCP, service providers and vendors), shall be subject to random audits or site visits by the RHCD, its agents and/or the Commission's Office of Inspector General (OIG) to determine compliance with the HCF Program rules, Commission rules and orders, as well as Section 254 of the 1996 Telecommunications Act. HCF Program participants must comply fully with the audit and site visit requirements including, but not limited to, providing full access to all accounting systems, records, reports, and source documents of itself and its employees, contractors, and other agents, that are related to the HCF funding that has been requested and received by the HCP Program participant.. Additional information on the audit and site visit requirements is available at 47 C.F.R. § 54.648(a) and the *Healthcare Connect Fund Order*, at ¶¶ 327-329.

### **III. Questions and Appeals**

#### **A. Appeals**

If you wish to appeal this decision, you must do so within **60 days** (*i.e.*, must be posted marked by the 60th day) of receipt of this letter. To find more information on how to appeal, go to:

[\\_http://www.usac.org/rhc/about/program-integrity/appeals.aspx](http://www.usac.org/rhc/about/program-integrity/appeals.aspx)

#### **B. Questions**

If you have any questions or need help, please call USAC at 202-776-0200 and ask to speak the RHC consortia application team.

Sincerely,

***RHCD – USAC Healthcare Connect Fund Program***

cc: XXXXX

**ATTACHMENT A: NETWORK COST WORKSHEET**